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Report Highlights:

Due to poor weather conditions in Winter, local 2001 winter grain crop outputs will be significantly lower than in 2000. Wheat total output will decrease to 291,000 Mt (429,000 Mt in 2000). Availability of large un-seeded extensions have enabled an expansion in Spring crop areas and will lead to boosted outputs. Local 2001 corn crop is forecasted at 1.01 million Mt (910,000 Mt in 2000). Imports from the U.S. continue to consist of soft wheat - 36,319 Mt in CY-2000 - brought in under the EU high-quality wheat quota. Corn imports from the U.S. remain un-viable until the EU revises its legislation concerning use of genetically-enhanced seeds. 1 USD = 225 Pte.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
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Executive Summary

Heavy rainfall during December 2000 and January 2001 delayed winter grain crop seedings and led to an extensive loss of seeded area. Total wheat area is estimated by the national statistics institute (INE) to have dropped by twenty pct, and barley area by thirty pct relative to 2000 levels, down to 199,000 ha and 16,000 ha respectively. Durum share in total wheat has reportedly gone up under the effects of the high EU durum subsidies of 69,000 Pte/ha, un-rivaled by the 25,000 Pte/ha currently paid to soft wheat production. Durum wheat areas are estimated by AGOFFICE to reach some 135,000 ha in 2001/02, significantly over the 118,000 ha ceiling set by the EU maximum guaranteed durum area. Winter grain production is forecasted to come down in 2001/02 as result of the reduction in cultivated areas, as well as continuing high water levels in the soils through February which contributed to depressed average crop yields. Wheat production is forecasted to decrease to 291,000 Mt in 2001/02, and barley at 27,000 Mt (429,000 Mt and 45,000 Mt in 2000/01 respectively). The production outlook for Spring crops is generally more favorable, given the abundance of area available for seeding and high water levels in reservoirs. Corn area is forecasted to increase up to 190,000 ha in 2001 (171,000 ha in 2000), and rice area to 23,000 ha (22,000 ha in 2000). Corn production is forecasted at 1,01 million Mt in 2001 and rice, milled basis, at 108,000 Mt (104,000 Mt in 2000).

The forecasted recovery in hog and poultry production and generally dropping grain prices are expected to enable a moderate expansion in grain use in feed in 2001/02, up from the near-minimum CY-2000 incorporation levels of 39.4 pct reported by the industry. Wheat use in feed will tend to be favored by anticipated lower producer prices in Europe during the 2001/02 marketing year. Further, the relatively high protein levels in wheat also make it an eligible product to partially substitute animal protein products prohibited by the EU December 2000 meat and bone (MBM) ban. Corn use in feed will tend to remain mostly unchanged at some estimated 1.8 Million MT, with the accrued demand from a recovering livestock sector being liable to be off-set by unfavorable price ratios between corn and feed wheat. Given current expectations that wheat producer prices will drop in 2001/02, total demand for feed corn will ultimately depend upon corn producer prices in France, the Portuguese reference market for grains, and their relation to the reference market for feed wheat. Grain use by the human food industries is forecasted to remain basically unchanged relative to previous year levels, including roughly 900,000 Mt of milling wheat, 100,000 Mt of corn to produce high fructose corn syrup (HFCS), and 10,000 Mt of corn for milling.

Due to lower 2001 winter grain production, 2001/02 winter grain imports will be up over previous year levels. Total wheat imports are forecasted to reach 1.3 million Mt during 2001/02, of which some seven to nine pct should be accounted for by non-EU suppliers, including the United States. Due to the larger Spring crop harvest, local 2001/02 corn imports are forecasted to decrease to some 888,000 Mt, mostly supplied by the EU, except for the 500,000 Mt Blair House quota which will continue to be filled by Eastern European and South American origins. Imports from the United States currently consist of soft wheat - 36,319 Mt in CY-2000 - which is brought in under the EU high-quality wheat quota. Access to the Blair House corn quota remains frustrated by the EU 1995 moratorium on approvals of additional biotech corn varieties, which continues to make U.S. corn use in Portugal un-viable. Given the slow legislative progress in this issue, the local corn market is not expected to be re-opened for U.S. product during the 2001/02 marketing year. Other developments with a potential impact upon U.S. trade include the current EU conversations to reform the Common Agricultural Policy (CAP) before the end of the application period of Agenda 2000. Among recent proposals, the one to substitute producer subsidies with a single subsidy or direct payment paid per farm opens

interesting prospects of greater subsidy de-coupling, one of the requirements associated to greater trade liberalization.

1 USD = 225 PTE

Statistical Section

Total Wheat: Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Wheat				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	238	226	262	249	0	199
Beginning Stocks	200	161	200	332	220	276
Production	375	372	454	429	0	291
TOTAL Mkt. Yr. Imports	1336	1411	1200	1150	0	1280
Jul-Jun Imports	1336	1411	1200	1150	0	1280
Jul-Jun Import U.S.	34	38	0	40	0	40
TOTAL SUPPLY	1911	1944	1854	1911	220	1847
TOTAL Mkt. Yr. Exports	100	77	100	90	0	57
Jul-Jun Exports	100	77	100	90	0	57
Feed Dom. Consumption	650	450	575	460	0	470
TOTAL Dom. Consumption	1611	1535	1534	1545	0	1555
Ending Stocks	200	332	220	276	0	235
TOTAL DISTRIBUTION	1911	1944	1854	1911	0	1847

Portugal: Total Wheat Trade Matrix

Import Trade Matrix			
Country	Portugal		
Commodity	Wheat		
Time period	July/June	Units:	Metric Tons
Imports for:	1999		2000
U.S.	27539	U.S.	38304
Others		Others	
France	724796	France	772156
U.K.	249384	U.K.	362883
Spain	106192	Spain	53440
Denmark	55088	Germany	39982
Netherlands	39277	Netherlands	39016
Sweden	31798	Denmark	14212
Other EU	27709	Other EU	1015
Hungary	5476	Canada	52452
Turkey	5188	Turkey	28650
Estonia	2597	Kazakstan	8686
Total for Others	1247505		1372492
Others not Listed	0		0
Grand Total	1275044		1410796

Export Trade Matrix			
Country	Portugal		
Commodity	Wheat		
Time period	July/June	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	51736	Spain	69484
France	5427	France	7488
Netherlands	271		
Total for Others	57434		76972
Others not Listed	0		0
Grand Total	57434		76972

Durum Wheat: Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Wheat, Durum				(1000 HA)	(1000 MT)
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Area Harvested	0	73	0	145	0	135
Beginning Stocks	0	10	0	36	0	36
Production	0	90	0	195	0	154
TOTAL Mkt. Yr. Imports	0	116	0	80	0	85
Jul-Jun Imports	0	116	0	80	0	85
Jul-Jun Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	0	216	0	311	0	275
TOTAL Mkt. Yr. Exports	0	10	0	20	0	19
Jul-Jun Exports	0	10	0	20	0	19
Feed Dom. Consumption	0	80	0	165	0	140
TOTAL Dom. Consumption	0	170	0	255	0	230
Ending Stocks	0	36	0	36	0	26
TOTAL DISTRIBUTION	0	216	0	311	0	275

Portugal: Durum Wheat Trade Matrix

Import Trade Matrix			
Country	Portugal		
Commodity	Wheat, Durum		
Time period	July/June	Units:	Metric Tons
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	56697	U.K.	33608
Netherlands	22222	France	24198
France	13995	Spain	14903
Germany	9800	Netherlands	10994
U.K.	2750	Germany	3012
Italy	341	Other EU	862
Turkey	5188	Turkey	28650
Total for Others	110993		116227
Others not Listed	0		0
Grand Total	110993		116227

Export Trade Matrix			
Country	Portugal		
Commodity	Wheat, Durum		
Time period	July/June	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	3422	Spain	9706
France	1051	France	360
Total for Others	4473		10066
Others not Listed	0		0
Grand Total	4473		10066

Barley: Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Barley				(1000 HA)	(1000 MT)
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	33	24	31	23	0	16
Beginning Stocks	20	15	45	15	68	13
Production	45	43	48	45	0	27
TOTAL Mkt. Yr. Imports	225	194	225	185	0	202
Oct-Sep Imports	225	178	225	190	0	200
Oct-Sep Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	290	252	318	245	68	242
TOTAL Mkt. Yr. Exports	5	3	5	3	0	0
Oct-Sep Exports	5	3	5	2	0	0
Feed Dom. Consumption	90	125	95	120	0	122
TOTAL Dom. Consumption	240	234	245	229	0	231
Ending Stocks	45	15	68	13	0	11
TOTAL DISTRIBUTION	290	252	318	245	0	242

Portugal: Barley Trade Matrix

Import Trade Matrix			
Country	Portugal		
Commodity	Barley		
Time period	July/June	Units:	Metric Tons
Imports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
U.K.	65386	Spain	75655
France	63484	France	57022
Spain	55608	U.K.	40927
Netherlands	3102	Germany	19934
Belgium	21	Other EU	40
Total for Others	187601		193578
Others not Listed	0		0
Grand Total	187601		193578

Export Trade Matrix			
Country	Portugal		
Commodity	Barley		
Time period	July/June	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	358	Spain	2698
		France	230
		Cape Verde	2
Total for Others	358		2930
Others not Listed	0		0
Grand Total	358		2930

Corn: Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Corn				(1000 HA)(1000 MT)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	190	191	174	171	0	190
Beginning Stocks	223	180	291	184	291	178
Production	1014	962	900	910	0	1011
TOTAL Mkt. Yr. Imports	1199	1164	1200	1000	0	888
Oct-Sep Imports	1100	1132	1100	1050	0	900
Oct-Sep Import U.S.	0	1	0	1	0	1
TOTAL SUPPLY	2436	2306	2391	2094	291	2077
TOTAL Mkt. Yr. Exports	11	12	5	16	0	12
Oct-Sep Exports	3	16	5	15	0	12
Feed Dom. Consumption	2000	2000	1950	1790	0	1785
TOTAL Dom. Consumption	2134	2110	2095	1900	0	1895
Ending Stocks	291	184	291	178	0	170
TOTAL DISTRIBUTION	2436	2306	2391	2094	0	2077

Portugal: Corn Trade Matrix

Import Trade Matrix			
Country	Portugal		
Commodity	Corn		
Time period	July/June	Units:	Metric Tons
Imports for:	1999		2000
U.S.	1242	U.S.	1181
Others		Others	
France	495266	France	602385
Spain	115649	Spain	63949
Other EU	5782	Other EU	1614
Argentina	280768	Argentina	374924
Hungary	124010	Hungary	53033
Ukraine	27894	Romania	42095
Moldavia	20333	Yugoslavia	24977
Yugoslavia	12067		
Romania	9068		
Bulgaria	7465		
Total for Others	1098302		1162977
Others not Listed	1227		207
Grand Total	1100771		1164365

Export Trade Matrix			
Country	Portugal		
Commodity	Corn		
Time period	July/June	Units:	Metric Tons
Exports for:	1999		2000
U.S.	0	U.S.	0
Others		Others	
Spain	2367	Spain	11598
Other EU	52	Belgium	206
Angola	70	Angola	44
Cape Verde	38	Cape Verde	42
S. Tome & Prince	2	S. Tome & Prince	6
Total for Others	2529		11896
Others not Listed	0		1
Grand Total	2529		11897

Rice, Milled: Production, Supply & Distribution Table

PSD Table						
Country	Portugal					
Commodity	Rice, Milled				(1000 HA)	(1000 MT)
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		07/1999		07/2000		07/2001
Area Harvested	25	25	22	22	0	23
Beginning Stocks	21	30	19	29	16	28
Milled Production	114	110	90	104	0	108
Rough Production	163	157	129	149	0	154
MILLING RATE (.9999)	7000	7000	7000	7000	0	7000
TOTAL Imports	98	116	120	120	0	114
Jan-Dec Imports	94	110	120	96	0	114
Jan-Dec Import U.S.	0	0	0	0	0	0
TOTAL SUPPLY	233	256	229	253	16	250
TOTAL Exports	5	9	5	8	0	7
Jan-Dec Exports	5	9	5	7	0	7
TOTAL Dom. Consumption	209	218	208	217	0	216
Ending Stocks	19	29	16	28	0	27
TOTAL DISTRIBUTION	233	256	229	253	0	250

PORTUGAL: Grain & NGFI Use in Feed

	1998		1999		2000 (*)		1999-2000 Change (%)
	Mt	Share in Total (%)	Mt	Share in Total (%)	Mt	Share in Total (%)	

Grains:

Oats	1,177	0.0	1,617	0.1	2,094	0.1	29.5
Rye	262	0.0	73	-	52	-	-28.1
Barley	88,099	2.5	81,563	2.3	80,720	2.4	-1.0
Corn	1,055,435	30.2	947,056	27.2	889,406	26.2	-6.1
Sorghum	759	-	937	-	49	-	-94.8
- Soft Wheat	56,480	1.6	110,929	3.2	111,259	3.3	0.3
- Feed Wheat	221,889	6.4	234,173	6.7	241,077	7.1	2.9
Total Wheat	278,369	8.0	345,102	9.9	352,336	10.4	
Triticale	2,807	0.1	2,550	0.1	2,762	0.1	8.3
Other Grain	6,775	0.2	21,371	0.6	6,760	0.2	-68.4
Total Grains	1,433,684	41.0	1,400,269	40.2	1,334,180	39.4	-4.7

NGFI:

CGF	339,586	9.7	335,366	9.6	358,234	10.6	6.8
Manioc	143,389	4.1	162,716	4.7	164,381	4.8	1.0
Other	271,027	7.8	150,873	4.3	257,759	7.6	70.8
Total NGFI	754002	21.6	648,955	18.6	780,374	23.0	20.3

Total Feed 3,496,000 100.0 3,479,814 100.0 3,388,000 100.0 -2.6

Compounders Association IACA. Note: It is estimated that an additional 20 to 30 pct compound feed is locally produced. (*) Estimate.